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Holistic View of
Tax Laws
(Amendment)
Act, 2024



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INCOME TAX ORDINANCE 2001

Jurisdictions in Appeals

In view of insertion of a new Section 126A to the Income Tax Ordinance 2001, (the Ordinance), appeals having assessment or refund value below Rs20 million can be contested before Commissioner Inland Revenue Appeals (CIR Appeals). Assessments involving assessment or refund value above Rs20 million shall now be filed before Appellate Tribunal Inland Revenue (ATIR) directly.

However, such appeals pending before CIR shall be deemed to have transferred to ATIR by 16 June 2024.

Process of appeals to Appellate Tribunal

Section 131 of the Ordinance has been substituted. The time for filing of Appeal before ATIR has now been reduced to 30 days from 60 days except state owned enterprise (SOE), state owned enterprise can file an appeal to ATIR where alternate dispute resolution committee fails to decide the case within stipulated period of 60 days. Appel fee for a Company has been increased from Rs. 5,000/- to Rs. 20,000/- While appeal fee for other cases has been increased from Rs. 2,500/- to Rs. 5,000/- Stay period for recovery of demand has been reduced from 180 days to 90 days. However, it has been stipulated that stay against recovery shall have effect till finalization of appeals subject to decision by ATIR within the prescribed time limit and the condition that the taxpayer follows the hearing schedule for the appeal failing which the stay will automatically vacated.

Decision of Appeal by the Appellate Tribunal

Section 132 of the Ordinance has been substituted. Consequent changes are explained below:

- Cases already pending before ATIR before enactment of newly promulgated law shall be decided within 180 days, while new appeals shall be decided within 90 days. If a case is not decided within the stipulated period condonation from the minister of law and justice will be required not exceeding beyond 90 days

- The taxpayer can exercise alternate dispute resolution option which will be informed to the tax payer by the ATIR at the time of first hearing and if declined dates of the appeal shall be decided in consultation with the department and tax payer.
- Adjournments for appeal hearing shall be granted only for valid reasons and upon payment of minimum Rs 50000.
- In case of change of assessment of a member of an association in consequence of change of assessment of an association of a person, the above stipulated time shall not be applicable and it shall be on the discretion of ATIR
- Subject to provisions of Section 133 regarding filing of Reference Before High Court, the decision of ATIR shall be final.

Filing of a Reference before High Court

Section 133 of the Ordinance has been substituted regarding filing of a Reference before High Court. The significant changes are explained below:

- Fee for filing Reference application to the High Court has been increased from Rs 100 to Rs 50000
- Previously, only question of law can be referred by the tax payer or department to the High Court within 90 days. Now mixed question of law and facts arising out of an order of CIR or ATIR can be referred to High Court within 30 days. However, applicant is required to file complete record of Appellate Tribunal to the High Court within 15 days of filing of application
- High Court shall be required to ensure that Reference application is decided within 6 months from the date of its filing. For this purpose High Court shall constitute sufficient number of benches.
- The department shall not recover the tax for 30 days from the date of receipt of ATIR order
- 30 percent of the tax determined by the ATIR is required to be deposited to seek stay from the High Court
- Commissioner shall be required to be authorized by the Chief Commissioner to file Reference application before High Court

Alternate Dispute Resolution

The monetary limit for referring dispute to Alternate Dispute Resolution Committee has been reduced from Rs100 million or above to Rs50 million or above. However, state owned entity shall be mandatorily liable to apply to the Board for the appointment of a committee for the resolution of any dispute without any monetary limit.

An offer for tax payment and undertaking that applicant shall accept the decision of the ADRC shall be filed along with the application. Pending appeals and litigations in respect of any kind will be required to be withdrawn.

The state-owned entity may file an appeal to ATIR or High Court or the Supreme Court as the case may be upon dissolution of ADRC by the FBR, in case of failure of ADRC to decide the dispute within 60 days from its appointment.

Upon order of dissolution of ADRC, the Court of law or ATIR shall decide the appeal within 90 days of the communication of the order.

SALES TAX ACT,1990

Jurisdictions in Appeals

In view of insertion of a new Section 43A of SALES TAX ACT,1990 appeals having assessment or refund value below Rs 10 million can be contested before Commissioner Inland Revenue Appeals (CIR Appeals). Assessments involving assessment or refund value above Rs 10 million shall now be filed before Appellate Tribunal Inland Revenue (ATIR) directly.

However, such appeals pending before CIR shall be deemed to have transferred to ATIR by 16 June 2024.

Process of appeals to Appellate Tribunal

Section 46 of the Act has been substituted. The time for filing before ATIR has now been reduced to 30 days from 60 days except state owned enterprise (SOE), state owned enterprise can file an appeal to ATIR where alternate dispute resolution committee fails to decide the case within stipulated period of 60 days.

Filing of a Reference before High Court

Section 47 of the Act has been substituted regarding filing of a Reference before High Court. The significant changes are explained below:

- Previously, only question of law can be referred by the tax payer or department to the High Court within 90 days. Now mixed question of law and facts arising out of an order of CIR or ATIR can be filed within 30 days. However, applicant is required to file complete record of Appellate Tribunal to the High Court within 15 days of filing of application
- High Court shall be required to ensure that Reference application is decided within 6 months from the date of its filing, for this purpose High Court shall constitute sufficient number of benches.
- The department shall not recover the tax for 30 days from the date of receipt of ATIR order

Alternate Dispute Resolution

The monetary limit for referring dispute to Alternate Dispute Resolution Committee has been reduced from Rs100 million or above to Rs 50 million or above. However, state owned entity shall be mandatorily liable to apply to the Board for the appointment of a committee for the resolution of any dispute without any monetary limit.

- An offer for tax payment and undertaking that applicant shall accept the decision of the ADRC shall be filed along with the application. Pending appeals and litigations in respect of any kind will be required to be withdrawn.
- The state-owned entity may file an appeal to ATIR or High Court or the Supreme Court as the case may be upon dissolution of ADRC by the FBR, in case of failure of ADRC to decide the dispute within 60 days from its appointment.
- Upon order of dissolution of ADRC, the Court of law or ATIR shall decide the appeal within 90 days of the communication of the order.

Federal Excise Act, 2005

Jurisdictions in Appeals

In view of insertion of a new Section 33A to the Federal Excise Act, 2005, appeals having assessment or refund value below Rs5 million can be contested before Commissioner Inland Revenue Appeals (CIR Appeals). Assessments involving assessment or refund value above Rs5million shall now be filed before Appellate Tribunal Inland Revenue (ATIR) directly.

However, such appeals pending before CIR Appeal shall be deemed to have transferred to ATIR by 16 June 2024.

Process of appeals to Appellate Tribunal

Section 34 of the Act has been substituted. The time for filing appeal before ATIR has now been reduced to 30 days from 60 days except state owned enterprise (SOE), state owned enterprise can file an appeal to ATIR where alternate dispute resolution committee fails to decide the case within stipulated period of 60 days.

Filing of a Reference before High Court

Section 34A of the Act has been substituted regarding filing of a Reference before High Court. The significant changes are explained below:

- Previously, only question of law can be referred by the tax payer or department to the High Court within 90 days. Now mixed question of law and facts arising out of an order CIR or ATIR can be referred within 30 days. However, applicant is required to file complete record of Appellate Tribunal to the High Court within 15 days of filing of an application
- High Court shall be required to ensure that Reference application is decided within 6 months from the date of its filing. For this purpose High Court shall constitute sufficient number of benches.
- The department shall not recover the tax for 30 days from the date of receipt of ATIR order
- Other provisions of Sec 34A have been substituted in the same way as substituted in respect of Sec 134A of Income Tax Ordinance,2001

Alternate Dispute Resolution

The monetary limit for referring dispute to Alternate Dispute Resolution Committee has been reduced from Rs. 100 million or above to Rs. 50 million or above. However, state owned entity shall be mandatorily liable to apply to the Board for the appointment of a committee for the resolution of any dispute without any monetary limit.

An offer for tax payment and undertaking that applicant shall accept the decision of the ADRC shall be filed along with the application. Pending appeals and litigations in respect of any kind will be required to be withdrawn.

The state-owned entity may file an appeal to ATIR or High Court or the Supreme Court as the case may be upon dissolution of ADRC by the FBR, in case of failure of ADRC to decide the dispute within 60 days from its appointment.

Upon order of resolution of ADRC, the Court of law or ATIR shall decide the appeal within 90 days of the communication of the order.

Other provisions of Sec 38 have been substituted in the same way as substituted in respect of Sec 134A of the Income Tax Ordinance, 2001.

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Please note that the information and views specified herein are general in nature and are not intended to specifically address the circumstances of any specific person or entity. Hence, it's imperative that one should seek appropriate professional advice and thoroughly evaluate their specific situation before taking any action based on this information.

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